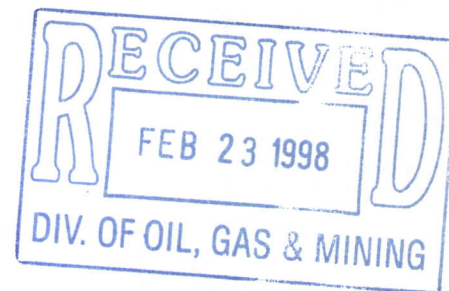


FORM MR-AR
(Revised 5/97)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1-97 To (mo./yr.) 12-97
 2. DOGM File Number (Mine No): S / 0451 023
 3. Mine Name: Heraf Mine
 4. Mineral(s) Mined (or permitted to mine): Au - Ag - Pb - Cu - Mn
 5. Type of mine ☒ Surface Mine or ☒ Underground Mine
 6. Legal Description (Location of Lands Affected):
1/4, N 1/4, E 1/4, Section 25, Township 8S, Range 17W
1/4, 1/4, 1/4, Section, Township, Range
1/4, 1/4, 1/4, Section, Township, Range
 7. Name of Operator or Company: Clifton Mining Co., Inc.
 8. Permanent Street Address: 70 West Canyon Crest Rd., Suite D
City, State, Zip: Alpine, Utah 84004
Phone: 801-756-1414
 9. Company Representative (or designated operator):
Name: W. Dan Proctor
Title: Chief Geologist
Business Address: Salt
City, State, Zip: _____
Phone: _____
- ☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? 1200 tons
3. If inactive, what year was the mine last active? _____

3. How much **additional acreage** was disturbed during the past year? 0
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.
- _____
- _____
- _____
5. How much acreage was **reclaimed** during the past year? 9 Acres (approx)
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
- reclamation of old drill sites (52), slope cuts recontoured,
trenches filled, all reclaimed areas seeded. Sealed
3 adits and filled, shaft. Drill Access roads recontoured
and seeded.
7. What is the total disturbed acreage at years end? (2)
8. Briefly summarize any mining and/or reclamation plans for the upcoming year.
- Establish mine at Herat Hill for initial production
" " on 2 veins for production
Some drilling - As well as on-going reclamation.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

W. Dan Precher

Title of Operator:

Chief Geologist

Signature of Operator:

[Signature]

Date:

23/Feb/98